

UNCLASSIFIED

Iraq

Status Report

May 12, 2010



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- **IHEC Continues Manual Recount of Ballots Cast in Baghdad (*POLITICAL*, page 4)**
- **Attacks Kill 119 Across Iraq in Deadliest Day of 2010 (*SECURITY*, page 9)**
- **Talabani Makes an Official Visit to Egypt (*DIPLOMATIC*, page 11)**
- **Oil Ministry Anticipates Competitive Offers for Natural Gas Fields (*ECONOMIC*, page 13)**

POLITICAL - Governance & Legislation

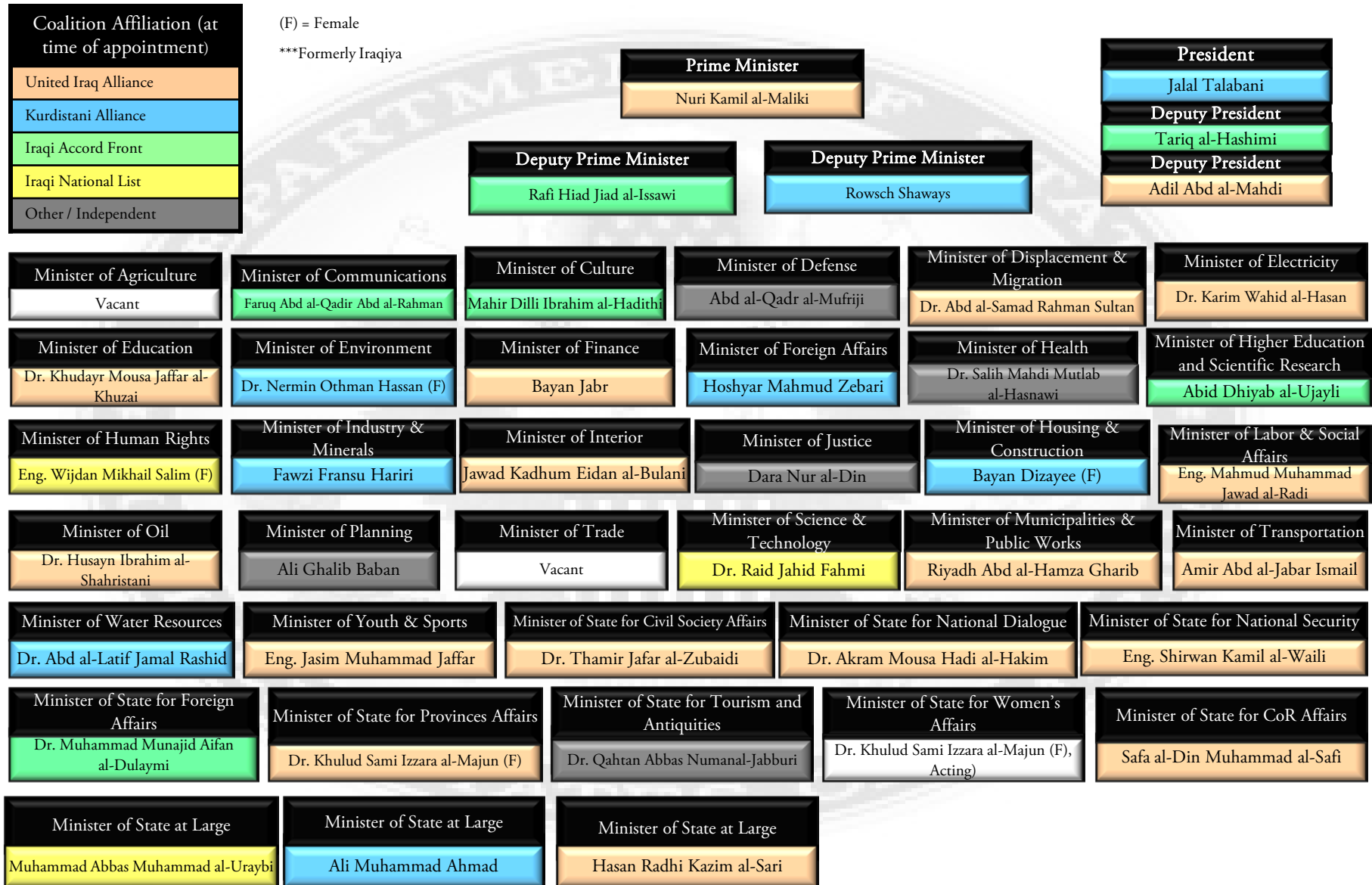


IHEC continues ballot recount in Baghdad

Baghdad Ballot Recount Halfway Complete:

- **Iraq's Independent High Electoral Commission (IHEC) announced that that the manual recount of 2.5 million ballots has reached the halfway point. The recount began on May 3 for all ballots cast in Baghdad during the parliamentary election.**

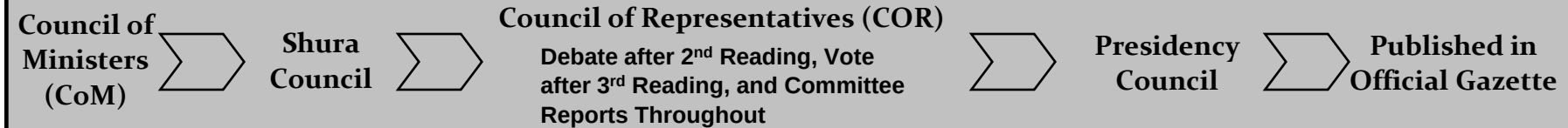
POLITICAL – Government of Iraq





POLITICAL – Key Legislative Issues

Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law, approved March 3, will regulate the operations and funding of Non-Governmental Organizations operating within Iraq.

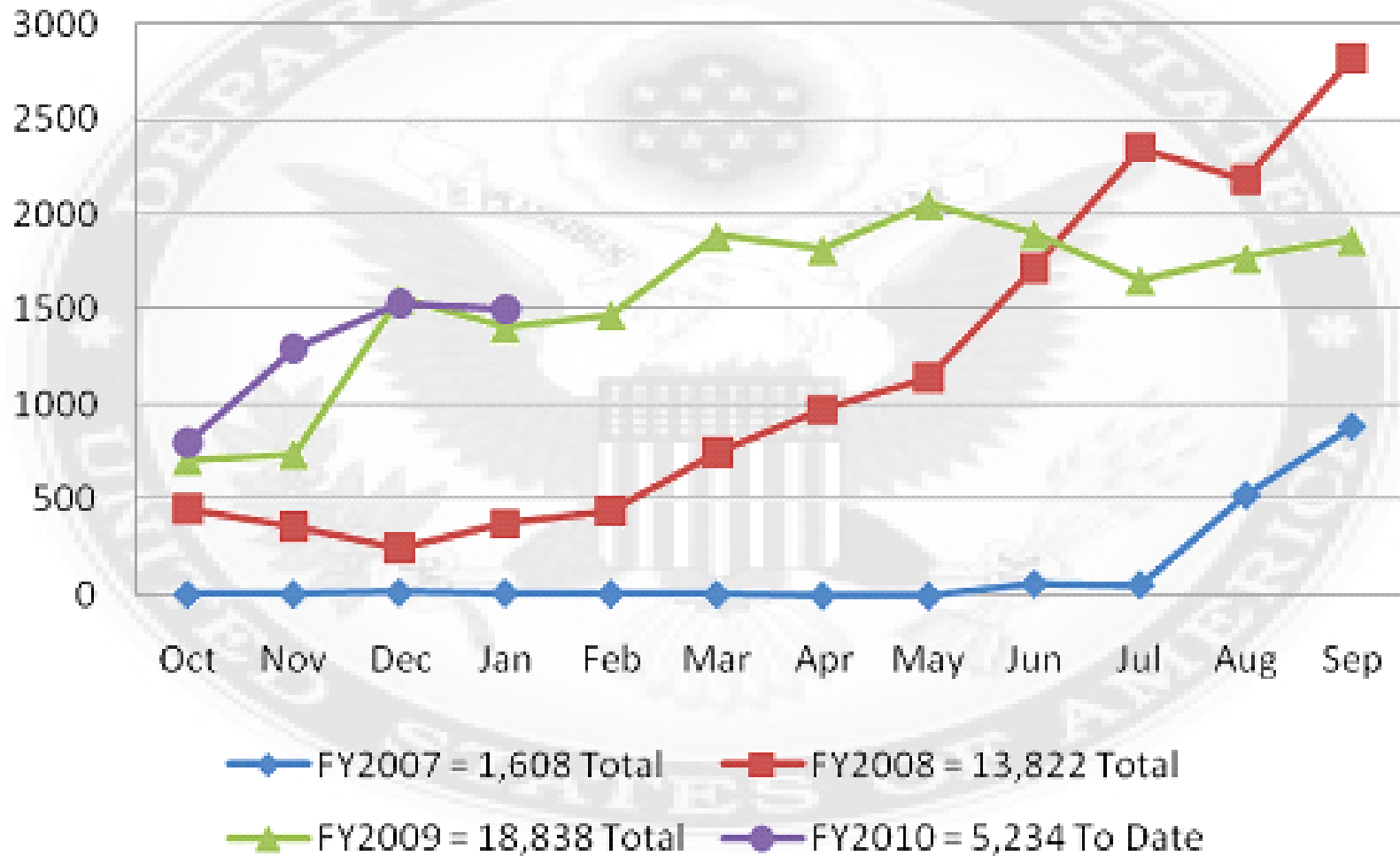
POLITICAL – Refugee Update



- There are approximately 295,000 Iraqi refugees currently registered with the UN High Commissioner for Refugees (UNHCR) in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis remain internally displaced due to sectarian violence following the Samarra Mosque bombing of February 2006.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$303.4 million to international and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 44,983 Iraqi refugees have been admitted to the U.S. for resettlement.
- As of September 2009, a total of 1,143 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 1,716 SIVs have been issued for Iraqis employed by the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced on July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

POLITICAL – Refugee Update

Iraqi Admissions to the U.S.



SECURITY – Situation Update



Wave of violence claims 119 lives

Attacks Kill 119 across Iraq in Deadliest Day of 2010:

- Iraqi Government officials blame Al-Qaida in Iraq (AQI) for the May 10 attacks that have so far killed 119 people, making it the deadliest day in Iraq this year. Army and police checkpoints were attacked at dawn by insurgents in coordinated drive-by shootings and bombings that killed at least 23 people, 10 of whom were police officers, in Baghdad and surrounding neighborhoods. In Hillah, south of Baghdad, a suicide bomber detonated himself in a crowd that had gathered following a double car bombing outside of a textile factory, killing 45 and wounding over 140. Car bombs also claimed lives in Mosul, Fallujah, Samarra, and Sweira. Later in the day, a bombing in Basrah killed an additional 20 people.

Prominent Sunni Cleric Killed in Shooting:

- Abdul-Jalil al-Fehdawi, a prominent Sunni cleric and deputy head of the Council of Iraqi Scholars, was killed in a drive-by shooting in Baghdad. The Council of Iraqi Scholars is an independent body that issues fatwas or religious decrees. The group is unpopular with Sunni extremist and terrorists groups like al-Qaida due to its moderate views on Islam.

SECURITY – Situation Update



Wave of violence claims 119 lives

Suspected AQI Leader and Two Associates Arrested:

- A suspected high-level AQI leader and two associates were arrested by Iraq Security Forces and U.S. advisors during joint forces operations in northern Iraq. The suspect is the leader of the Islamic State of Iraq's (ISI) bribery operations, the organization within ISI primarily responsible for operations against judicial officials. He is also believed responsible for facilitating the release of terrorists from detention centers.

Turkish Air force Strikes Kurdish Rebels in Northern Iraq:

- The Turkish Air Force struck Kurdistan Workers Party (PKK) targets in northern Iraq after two Turkish soldiers were attacked and killed by PKK militants reportedly operating from inside northern Iraq. The counter-attack by the Turkish military reportedly killed at least five PKK militants.

DIPLOMATIC – Political Engagement



Iraq strengthens regional ties

Talabani Visits Egypt:

- Iraqi President Jalal Talabani made an official visit to Egypt on May 8 to hold meetings with Egyptian President Hosni Mubarak and senior Egyptian officials. According to a presidential statement released by Talabani's office, the meetings primarily focused on developments in Iraq after the parliamentary election.

ECONOMIC – Oil



Crude Oil Update:

Price averages in world markets closed with the following prices:

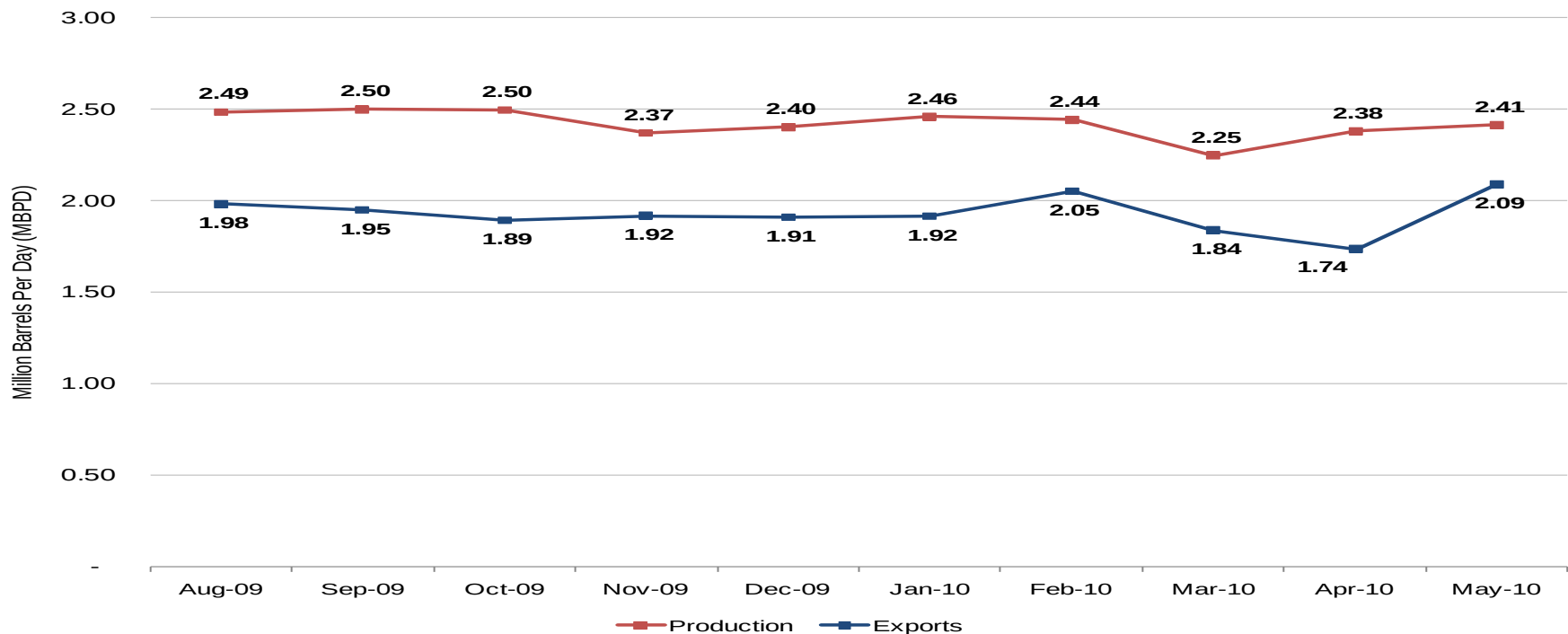
Basrah Light at \$78.03/barrel

Dated Brent at \$82.48/barrel

WTI Cushing at \$80.22/barrel

Oman/Dubai at \$83.90/barrel

Iraq Crude Oil Production and Exports



Revenue estimates:

2008: \$61.9 Billion

2009: \$39.2 Billion

2010 (ytd): \$16.3 Billion

ECONOMIC – Oil/Gas



Iraq's third bid round scheduled for early September

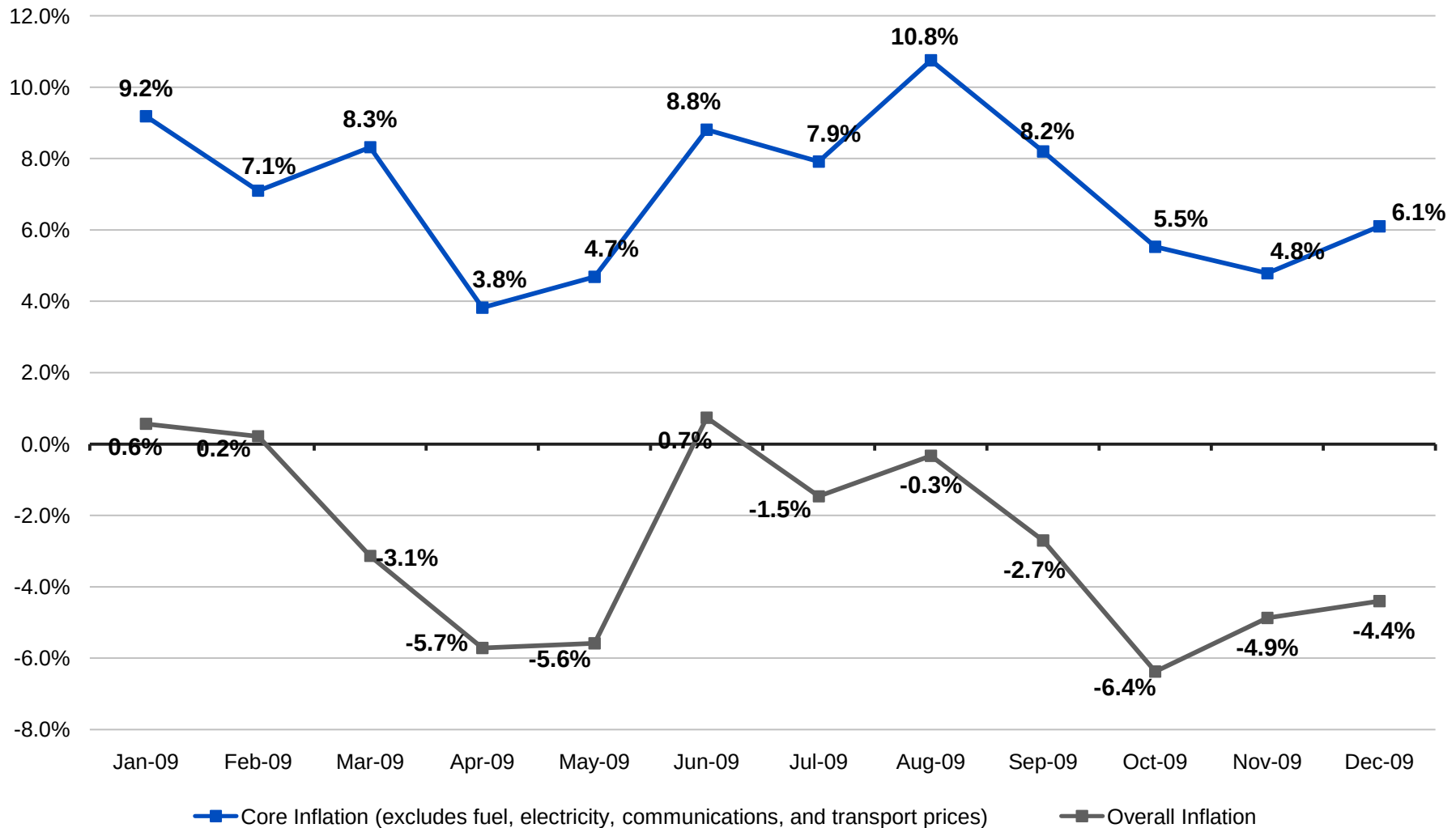
Oil Ministry Anticipates Competitive Offers for Natural Gas Fields:

- Iraq's oil minister invited international energy companies to bid for the development of three untapped natural gas fields. Husayn al-Shahristani noted that 45 pre-qualified companies with experience in gas projects will submit their offers in Iraq's third energy bidding round set for September 1. The three gas fields being offered in the third bidding round are the 5.6 trillion cubic feet Akkas field near the border with Syria, the 4.5 trillion cubic feet Mansouriya in Diyala province, and the 1.1 trillion cubic feet Siba field near Kuwait and Iran. "We have indications that there is renewed interest among companies to compete for these fields," al-Shahristani stated at the Oil Ministry in Baghdad as he announced the new bidding round. "We hope to find a real competition between the companies and to get competitive offers," he added. "We expect that these companies will come with offers better than the ones they gave before."

ECONOMIC – Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Debt Swap Bond Prices and Yields				
Price (USD)	\$82.32	\$83.67	\$81.53	\$64.50
Yield	7.64%	7.47%	7.72%	10.32%

ECONOMIC – Non-Energy



Emirates Airlines will launch weekly flights to Iraq in July

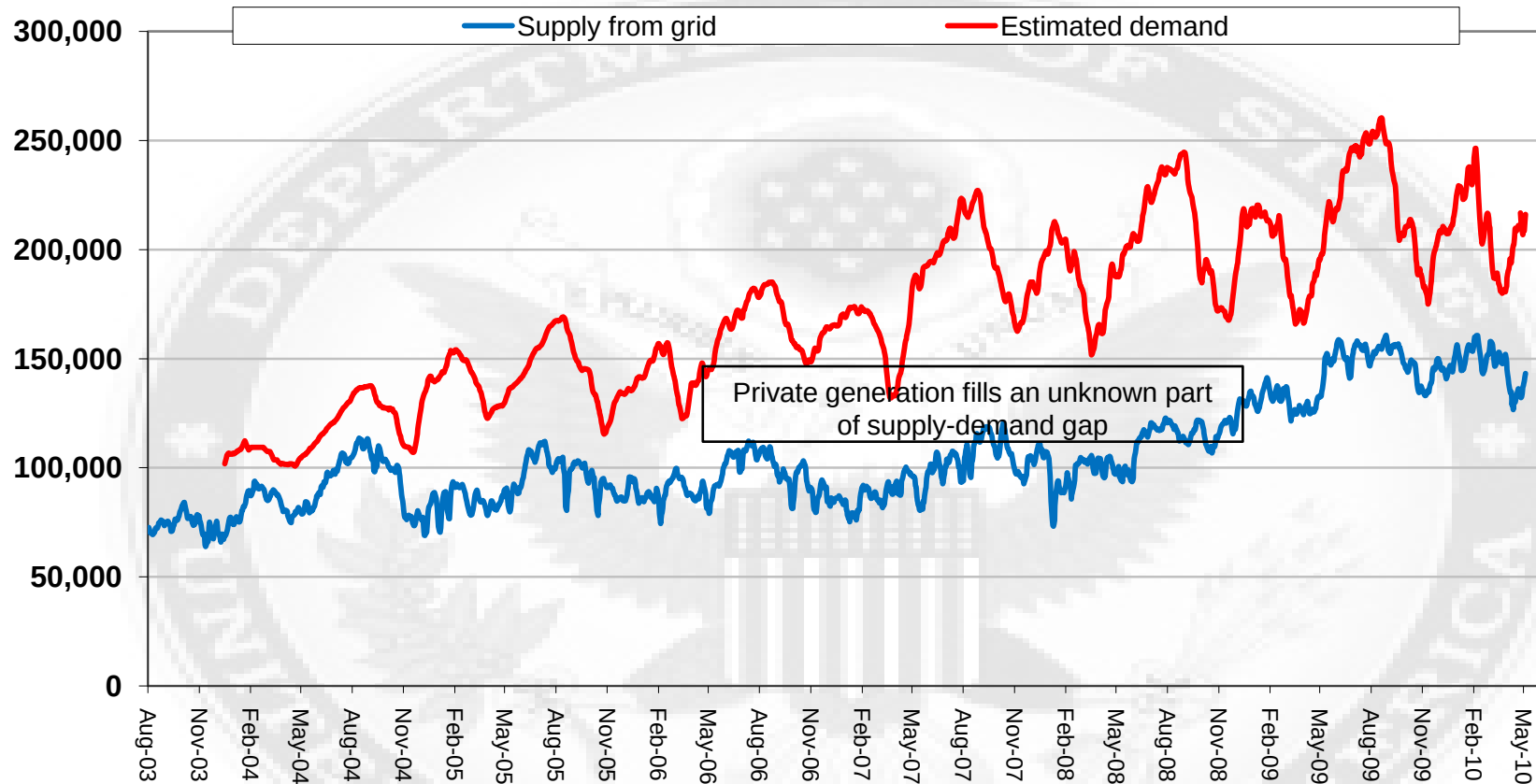
Latest Carrier Airline to Begin Express Service to Baghdad:

- Emirates Airlines announced its launch of weekly flights to Baghdad starting in July. The Dubai-based airline plans to operate on Tuesday, Thursday, and Saturday. The Emirates Airlines Chief noted that “Iraq is well on the road to recovery and we are confident that the time is right to commence our operations there.” Analysts report that the flights are a “possible sign of increased Arab investment in Iraq’s oil and commercial sectors.” The airline said it also “hopes to play an economic role between the United Arab Emirates (UAE) and Iraq by exporting goods including clothing, food, electronics and oil well equipment.”

Public Services – Electricity



Daily Electricity Supply from the Grid and Estimated Daily Demand



- Electricity supply from the grid May 4-10 was 6% above the same period in 2009 and met 66% of estimated demand, compared with 68% for the year-earlier period.

Beyond Baghdad



RRT Erbil Team Leader Visits Orphanage and Elderly Center

Erbil

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

The Governor of Erbil and RRT Erbil hosted a ceremony at the newly refurbished Erbil Orphanage and Senior Center. All major Kurdish language news outlets were present and were given a tour of the site. The facilities include housing for both the young and elderly, a cafeteria, library, computer lab, and space for art, music, and athletics. The Center teaches residents the skills they need to live independently and reintegrate into society.

Dhi Qar

PRT Dhi Qar staff and provincial council members attended the ribbon cutting ceremony for a new wing at the Mittica Medical Center. The new facilities will have an in-house ob-gyn, a delivery ward, room for primary care examinations, and an ambulance. In addition to treating people, the Center also acts as a training facility and teaching hospital. Medical specialists and doctors provide hands-on training to their Iraqi counterparts, while the PRT staff train Iraqis in non-medical fields including agriculture, rule of law, and English language proficiency.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- New York Times, May 11, <http://www.nytimes.com/2010/05/11/world/middleeast/11iraq.html?scp=2&sq=iraq&st=cse>; AP, May 11, http://www.google.com/hostednews/ap/article/ALeqM5hwK_CSpBxsNuVUEaDuOwmSSCiqGwD9FKL9HG2

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- AP, May 8, <http://www.washingtonpost.com/wpdyn/content/article/2010/05/08/AR2010050801304.html>

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- U.S. Embassy Baghdad, Provincial Reconstruction Teams, Public Health, May 3, 2010, http://iraq-prt.usembassy.gov/prt_dhiqar050310.html
- Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/